

Message Text

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SUBJ: LCY PRESIDUM CONCLUSIONS ON ECONOMY

REF: BELGRADE 4935, A-485

SUMMARY: LENGTHY STATEMENT OF CONCLUSIONS FOLLOWING LCY PRESIDUM DEBATE ON ECONOMY CALLS ON PARTY ORGANIZATIONS AND MEMBERS AT ALL LEVELS TO ENGAGE MORE ACTIVELY IN OVERCOMING NATIONAL ECONOMIC PROBLEMS IN CONTEXT SELF-MANAGEMENT SYSTEM. DOCUMENT RECOMMENDS SPEED-UP IN CONCLUSION OF SOCIAL ACCORDS AND OTHER ARRANGEMENTS CONCERNING INTERESTS OF REGIONS AND ENTERPRISES, INCLUDING IN AREAS OF LONG-TERM DEVELOPMENT, CREDITS FROM ABORAD AND ECONOMIC RELATIONS WITH LESS DEVELOPED COUNTRIES. PLANNING SYSTEM IS TO BE MODIFIED SOMEWHAT (BUT WITH ADHERENCE TO SELF-MANAGEMENT PRINCIPLES), AND NEW PARTY GOVERNMENT COMMISSIONS ARE TO RE-EXAMINE ECONOMIC POLICY. END OF SUMMARY

1. FOLLOWING DISCUSSION SUMMARIZED IN REF MESSAGES, LCY PRESIDUM HAD ISSUED LENGTHY DOCUMENT SETTING OUT NATIONAL ECONOMIC TASKS, GENERAL RECOMMENDATIONS FOR CARRYING THESE OUT, AND CALL FOR MORE INTENSIVE ENGAGEMENT BY PARTY ORGANIZATIONS AND MEMBERS.

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2. STATEMENT NOTES NEED FOR HALTING INFLATIONARY SPIRAL; INCREASING PRODUCTIVITY AND EMPLOYMENT; LOWERING COSTS; BRINGING BALANCE OF PAYMENTS INTO EQUILIBRIUM; RESTRUCTURING PRODUCTION SO AS TO DEVELOP YUGOSLAV RAW MATERIALS, FUEL, FOOD, SEMI-MANUFACTURES AND SAVE ON COSTLY IMPORTS OF THESE; AND EFFECTIVELY ASSIST BACKWARD REGIONS, ESPECIALLY KOSOVO.

3. A BASIC TASK, DOCUMENT EMPHASIZES, IS TO ELIMINATE "REGIONALIST ISOLATION AND SELFISH PARTICULARIST INTERESTS" AND TO SPEED PROGRESS TOWARD EFFECTIVE NATION-WIDE SELF-MANAGEMENT SYSTEM. THERE IS NOTICEABLE LAG IN PROGRESS TOWARD THIS IN AREAS OF FOREIGN TRADE, BANKING AND INSURANCE, PAPER NOTES, BUT SUBSTANTIAL IMPROVEMENT NEEDED IN MOST OTHER AREAS AS WELL.

4. SELF-MANAGEMENT SYSTEM CAN BE INDUCED TO WORK MORE EFFECTIVELY TOWARD MEETING NATIONAL ECONOMIC GOALS THROUGH EARLIEST POSSIBLE CONCLUSION OF SOCIAL ACCORDS AND ESTABLISHMENT OF COMMUNITIES OF INTERESTS IN ALL AREAS OF ECONOMY, INCLUDING DEVELOPMENT POLICY.

5. DOCUMENT REFERS SPECIFICALLY TO NEED FOR (A) AGREEMENTS AMONG REPUBLICS, PROVINCES AND ENTERPRISES ON DISTRIBUTION OF CREDITS FROM ABROAD, (B) AGREEMENTS ON LONG-TERM COORDINATION OF RELATIONS WITH LESS DEVELOPED COUNTRIES, SO THAT YUGOSLAV ENTERPRISES WILL BE ABLE TO DO BUSINESS IN THOSE AREAS ON JOINT BASIS AND (C) AGREEMENTS ON MEDIUM AND LONG-TERM DEVELOPMENT POLICY.

6. DRAFT LAW ON BASIC PRINCIPLES OF A REVISED PLANNING SYSTEM IS TO BE DRAWN UP "WITHOUT DELAY" BY FEDERAL AND REGIONAL ORGANIZATIONS.

7. PARTY WILL ACTIVATE COMMISSION FOR SOCIAL AND ECONOMIC POLICY TO BE HEADED BY CENTRAL COMMITTEE MEMBER MILUTIN BALTIC, AND RECOMMENDS THAT FEC ESTABLISH A NEW COUNCIL FOR QUESTIONS OF ECONOMIC SYSTEM, TO COORDINATE PROPOSALS ON REFORM OF ECONOMIC SYSTEM.

8. PAPER CLOSING WITH APPEAL TO PARTY ORGANIZATIONS AND MEMBERS AT ALL LEVELS TO TAKE CONCERTED ACTION IN INTEREST OF BETTER IMPLEMENTATION OF CONSTITUTION AND TENTH LCY CONGRESS DECISIONS ON ECONOMY.

9. TEXT OF STATEMENT BEING POUCHED BY AIRGRAM.
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10. COMMENT: AS LCY EXECUTIVE COMMITTEE MEMBER GRICKOV CONFIRMED TO AMBASSADOR, DOCUMENT IS INTENDED TO CLEARLY REAFFIRM PARTY COMMITMENT TO DECENTRALIZED ECONOMIC SYSTEM BASED ON ENTERPRISE SELF-MANAGEMENT. AT SAME TIME, HOWEVER, PARTY APPARENTLY INTENDED TO (A) PUBLICIZE ITS CONCERN ABOUT GROWING ECONOMIC PROBLEMS, AND SLOWNESS OF SELF-MANAGEMENT SYSTEM IN COMING TO GRIPS WITH THESE;

(B) "JAWBONE" REGIONAL AUTHORITIES AND ENTERPRISES TO SEPPED UP
PROCESS OF NEGOTIATION OF SOCIAL ACCORDS, AND (C) ACTIVATE PARTY
MEMBERS IN THESE ORGANIZATIONS TO FOCUS ON OVERALL NATIONAL INTEREST
IN THEIR WORK ON THESE ACCORDS, AND TO SERVE AS CATALYSTS FOR EARLY
DECISIONS. PROGRAM SET OUT IN DOCUMENTS IS GENERAL AND NOT LIKELY TO
PRODUCE EARLY SOLUTIONS TO ECONOMIC PROBLEMS. REFORM OF PLANNING
MECHANISM IS, WE UNDERSTAND, STILL UNDER STUDY BY SPECIAL COMMITTEE,
AND MEANINGFUL PROPOSALS ARE NOT EXPECTED TILL NEXT YEAR. WRANGLING
ON SOCIAL ACCORDS CONTINUES. HEAD OF NEW LCY ECONOMIC COMMISSION
BALTIC IS VETERAN PARTY AND TRADE UNION OPERATIVE FROM CROATIA,
WITH NO GOVERNMENT EXPERIENCE ON FEDERAL LEVEL.
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